

**RAIL SERVICE COMPETITION COUNCIL
PORTS/INTERMODAL SUBCOMMITTEE MEETING
MINUTES**

**Thursday
October 11, 2007
9:30am – 11:00am**

**Commission Room
Helena, MT**

RSCC PORTS/INTERMODAL SUBCOMMITTEE MEMBERS PRESENT: Bill Fogarty (Chair), Mike O'Hara (Chair of RSCC), Larry Bonderud, and Andre Giles (via phone).

RSCC PORTS/INTERMODAL SUBCOMMITTEE MEMBERS ABSENT: George Paul, Sen. Trudi Schmidt.

RSCC MEMBERS PRESENT: Carla Allen, Sen. Ken Hansen

MONTANA DEPT. OF TRANSPORTATION REPRESENTATIVES: Dick Turner, Zia Kazimi

RSCC TECHNICAL ASSISTANCE: Terry Whiteside, Gloria O'Rourke

GUEST: Wayne Budt, PSC

INTRODUCTIONS AND APPROVAL OF MINUTES

RSCC Ports/Intermodal Subcommittee Chair Bill Fogarty requested introductions be made around the room. Following introductions, Chairman Fogarty requested approval of the August 15th minutes of the RSCC Ports/Intermodal Subcommittee conference call. Larry Bonderud moved for the minutes to be approved; Sen. Ken Hansen seconded the motion. All voted in favor to approve the minutes.

INTERMODAL STUDY UPDATE

Dick Turner provided an update on a study being conducted by Montana Department of Transportation (MDT). MDT has a research program and solicits for research topics. Larry Bonderud proposed a study to investigate ways Montana could build the volume required to obtain service from Class 1 railroads. The topic was selected and Libby Ogard, of Prime Focus, out of Wisconsin, has been working on the study. Libby has an extensive background with intermodal issues.

A survey was mailed out to Montana shippers. As a good response was not obtained, phone interviews were conducted. The surveys indicated trucks are being used for shipping outbound products, with a haul length of seven to 1,000 miles. The overall general comment was that more access to rail is needed.

Also interviewed were several ports and several ocean carrier companies. One company, Ming Yang, Port of Tacoma, seemed very interested in doing business in Montana.

In addition, a lengthy meeting was held with Libby, Dick (via phone) and BNSF executives located in Ft. Worth. BNSF said that in order to consider intermodal service in Montana they would require 250 lifts per week per one ocean carrier at one port. BNSF also indicated they would be interested in conducting a pilot project to better understand the Montana market and gather proof that business in Montana would be sustainable.

Regarding the shortage of containers issue, Libby has some thoughts on finding containers and creating the container volume needed, including the concept of a rail brother.

Larry Bonderud suggested a joint meeting with the RSCC and the study team as the information gathered is very important to the RSCC. Libby's report should be available in December. Larry also questioned if the study has been able to identify where the containers traveling through Montana are coming from, where they are going, and at what volume. Gloria is to send Libby a copy of these minutes for her records.

CONGRESSIONAL LETTER UPDATE

Terry Whiteside shared a draft of a letter to be sent on behalf of the RSCC to Montana's congressional delegation. The letter addresses the pending tax infrastructure bill that would benefit railroads. A major concern, should the bill pass, is the infrastructure improvements will be made within the Chicago Los Angeles corridor and other high population areas, with no benefit to Montana.

It was suggested that the letter include Montana's trouble in obtaining containers and that Montana is not receiving competitive rates.

Terry Whiteside will add these items to the letter. Chairman O'Hara will review the letter and it will be sent to Montana's congressional delegation.

PSC Discussion

Wayne Budt, of the PSC, was invited to the subcommittee to share what involvement and authority the PSC has with railroads. Wayne explained that in the early 1900's, rail was the first and only function of the PSC. Now the PSC's authority is greatly diminished.

Currently, the PSC is responsible for employee safety, inspecting rail equipment, brakes, appliances, ladders, etc., and some authority on railroad fences. The PSC receives an annual report from each rail carrier every year. The report details statistics of loads that originate and terminate in Montana. Last year the PSC inspected 9,000 units and enforced motor carrier laws.

Subcommittee Survey Questions from Terry

Terry Whiteside developed a survey for the subcommittee to assist in identifying problems relating to ports/intermodal rail issues. Once the problems are identified and ranked, solutions can begin to be developed.

It was suggested that the subcommittee hold off on this survey until results are obtained from the MDT study with Libby Ogard.

Next Meeting and Agenda Items

The subcommittee will meet in conjunction with the next RSCC meeting and/or when Libby Ogard's report is released. If an issue comes to the surface prior to this, a conference call will be held.